

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6069

BILL NUMBER: HB 1054

DATE PREPARED: Oct 18, 2000

BILL AMENDED:

SUBJECT: Damages for unfair claim settlement practices.

FISCAL ANALYST: Beverly Holloway

PHONE NUMBER: 232-9851

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a person who suffers a pecuniary loss as a result of the commission of certain unfair claim settlement practices to bring a civil action against the person who caused the loss for: (1) an amount not to exceed two times the actual damages of the person suffering the loss; (2) the costs of the action; and (3) a reasonable attorney's fee.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: This bill may increase the filings of certain civil actions. The filing fee for civil actions is \$100. Of this fee, 70% or \$70 is deposited in the state General Fund if the case is filed in a trial court. If a civil case is filed in a city or town court (providing the court has jurisdiction), the state General Fund receives 55% of the \$100 filing fee.

Explanation of Local Expenditures: Additional filings under this specific cause of action will have a minimal impact on the caseloads of trial or city and town courts. The operating expenses of the trial courts are paid by the county General Fund. The expenses of the city and town courts are paid by the General Fund of the city or town in which the court is located.

Explanation of Local Revenues: If a case is filed in a trial court, the county General Fund receives 27% or \$27 of the filing fee. The other 3% or \$3 is deposited in the General Fund of the cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a circuit, superior, county or municipal court located in the county. If the case is filed in a city or town court (providing the court has jurisdiction), the county General Fund receives 20% while the city or town General Fund receives 25%.

State Agencies Affected:

Local Agencies Affected: Courts of record and some city and town courts.

Information Sources: *1997 Indiana Judicial Report, Vol. I*, p. 83.